

**GRAETTINGER  
COMMUNITY SCHOOL DISTRICT**

INDEPENDENT AUDITOR'S REPORT  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS

JUNE 30, 2010

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**GRAETTINGER COMMUNITY SCHOOL DISTRICT**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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**Board of Education**

**(Before September 2009 Election)**

Bill Brown Jr.	President	2009
Kevin Jensen	Vice President	2009
Duane Hoffman		2010 *
Roger Schmitt		2010 *
Kyle Norris		2010 *

**(After September 2009 Election)**

Duane Hoffman	President	2010 *
Roger Schmitt	Vice President	2010 *
Wade Alesch		2010 *
Kevin Jensen		2010 *
Kyle Norris		2010 *

**School Officials**

Randy Collins	Superintendent
Lisa Chapman	District Secretary/ Treasurer

- \* The voters of the District approved reorganization with the Terril Community School District effective July 1, 2010.

# BRUCE D. FRINK

## Certified Public Accountant

### Independent Auditor's Report

#### Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

#### Services:

- Individual, Partnership and Corporate Tax Preparation
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Bank Loan Assistance

#### Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

To the Board of Education of  
Graettinger Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of Graettinger Community School District, Graettinger, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

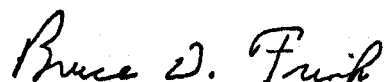
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities and each major fund of Graettinger Community School District at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

The voters of the District approved reorganization with the Terril Community School District effective July 1, 2010.

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2011 on our consideration of Graettinger Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 12 and 32 through 34 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Graettinger Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the four years ended June 30, 2009 (which are not presented herein) and expressed an unqualified opinion on those financial statements. The financial statements for the five years ended June 30, 2005 (which are not presented herein) were audited by other auditors who expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 2, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**BRUCE D. FRINK**  
Certified Public Accountant

March 21, 2011

## **GRAETTINGER COMMUNITY SCHOOL DISTRICT**

### **Management's Discussion and Analysis**

Graettinger Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

#### **2010 FINANCIAL HIGHLIGHTS**

- The District's overall financial condition increased from FY2009 to FY2010.
- The District's overall financial position increased from the prior year. The unreserved general fund balance increased from \$654,622 in FY09 to \$804,217 in FY10. This raised the District's financial solvency ratio to 27%, which is still well above the target range of 5%-10%.
- We are entering the 7<sup>th</sup> year of the academic sharing agreement between Graettinger and Terril. Reorganization will take place July 1, 2010. Public vote was a success with 280 yes votes and only 9 no votes for reorganization.
- The Graettinger Community School District certified enrollment count was previously taken in October. The figures are now entered into the PEACE (Project EASIER and Certified Enrollment) project. Reports are due October 15 with an adjustment time frame of two weeks. Our open enrollment figure dropped with 23 students open enrolling out and 15 open enrolling in. We would like this figure to remain as equal as possible. Our certified enrollment is down 10 students.
- The District ended FY2009 with an unreserved fund balance of \$654,622. For FY2010 this balance increased to \$804,217. Due to our superintendent sharing with Terril and Armstrong-Ringsted, our administrator salary is at 25%. Administrative costs dropped over \$80,000 in FY10. We also shared a music teacher, band teacher and Spanish teacher. We sold 100% of the services for middle school science and middle school math. We also purchased 100% of the services for high school science. We continued to share staff in our final year of whole grade sharing.
- The Nutrition Fund ended June 2010 with a cash balance of \$55. The board voted to make permanent transfers of \$11,721 in FY10.
- Statewide sales, services and use tax and PP&L revenue totaled \$249,032 and expenditures were \$292,490.

#### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Graettinger Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Graettinger Community School District operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Graettinger Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the Student Activity Fund as well as a multiyear comparison of revenues and expenditures.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

**Figure A-1**  
**Graettinger Community School District Annual Financial Report**

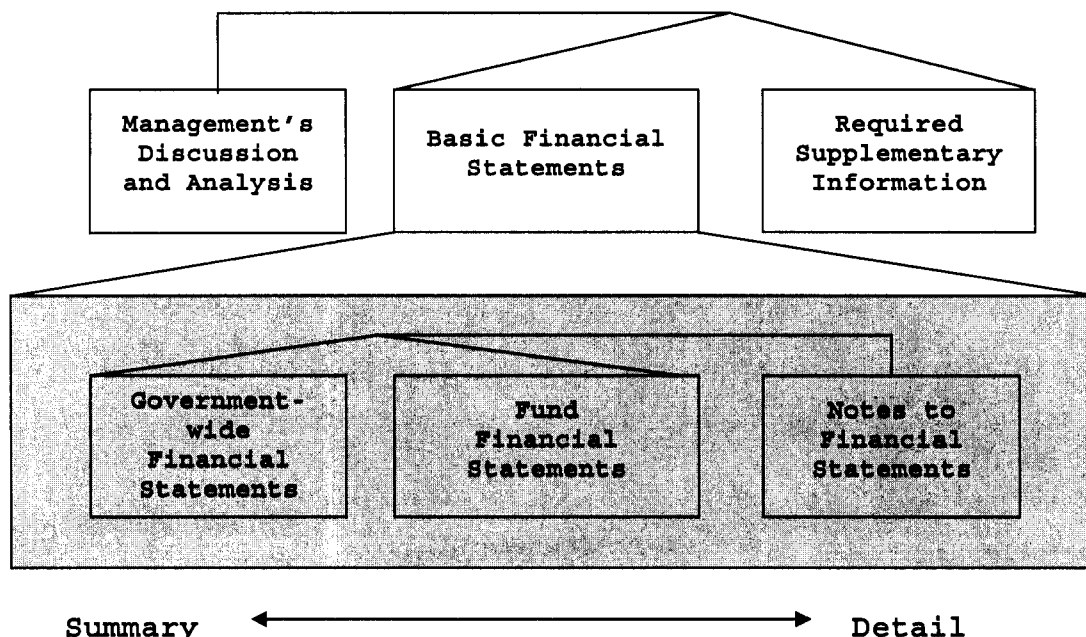


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

<b>Figure A-2</b>			
<b>Major Features of the Government-wide and Fund Financial Statements</b>			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, preschool and internal services
Required financial statements	<ul style="list-style-type: none"> <li>. Statement of net assets</li> <li>. Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>. Balance sheet</li> <li>. Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>. Statement of net assets</li> <li>. Statement of revenues, expenses and changes in fund net assets</li> <li>. Statement of cash flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid



## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has chosen to present all funds as "major" for clarity of presentation.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provide more detail and additional information, such as cash flows. The District currently has two enterprise funds, the School Nutrition Fund and the Preschool Fund. The District also uses an Internal Service Fund to account for health benefit plans.

The required financial statements for proprietary funds include a statement of revenues, expenses and changes in net assets and a statement of cash flows.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2010 compared to the year ended June 30, 2009.

<p style="text-align: center;"><b>Figure A-3</b>  <b>Condensed Statement of Net Assets</b>  <b>(Expressed in Thousands)</b></p>							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Current assets	\$ 1,599	2,555	52	17	1,651	2,572	-35.81%
Capital assets	1,663	1,403	1	1	1,664	1,404	18.52%
<b>Total assets</b>	<b>3,262</b>	<b>3,958</b>	<b>53</b>	<b>18</b>	<b>3,315</b>	<b>3,976</b>	<b>-16.62%</b>
Current liabilities	143	1,289	-	13	143	1,302	-89.02%
Non-current liabilities	322	-	-	-	322	-	0.00%
<b>Total liabilities</b>	<b>465</b>	<b>1,289</b>	<b>-</b>	<b>13</b>	<b>465</b>	<b>1,302</b>	<b>-64.29%</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	1,345	1,403	1	1	1,346	1,404	-4.13%
Restricted	480	320	-	-	480	320	50.00%
Unrestricted	972	946	52	4	1,024	950	7.79%
<b>Total net assets</b>	<b>\$ 2,797</b>	<b>2,669</b>	<b>53</b>	<b>5</b>	<b>2,850</b>	<b>2,674</b>	<b>6.58%</b>

The District's combined net assets increased by 7%, or approximately \$175,000 over the prior year. The largest portion of the District's net assets is invested in cash and capital assets.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased approximately \$74,000 or 8%. This growth was due in large part to spending controls that continue to be maintained.

Figure A-4 shows the changes in net assets for the years ended June 30, 2010 compared to the year ended June 30, 2009.

Figure A-4							
Changes in Net Assets							
(Expressed in Thousands)							
Governmental Activities		Business Type Activities		Total School District		Total Change	
2010	2009	2010	2009	2010	2009	2009-2010	
Revenues:							
Program revenues:							
Charges for service and sales	\$ 787	754	60	92	847	846	0.12%
Operating grants, contributions and restricted interest	1,004	558	146	55	1,150	613	87.60%
General revenues:							
Property and income surtaxes	1,170	1,072	-	-	1,170	1,072	9.14%
Statewide sales, services and use tax	117	144	-	-	117	144	-18.75%
Unrestricted state grants	249	881	-	-	249	881	-71.74%
Other	37	75	-	-	37	75	-50.67%
Total revenues	3,364	3,484	206	147	3,570	3,631	-1.68%
Program expenses:							
Governmental activities:							
Instruction	2,029	2,220	-	-	2,029	2,220	-8.60%
Support Services	779	795	-	-	779	795	-2.01%
Non-instructional programs	12	-	158	159	170	159	6.92%
Other expenses	416	280	-	-	416	280	48.57%
Total expenses	3,236	3,295	158	159	3,394	3,454	-1.74%
Change in net assets	\$ 128	189	48	(12)	176	177	-0.56%

Property tax and unrestricted state grants account for 40% of the total revenue. The District's expenses primarily relate to instruction and support services which account for 83% of the total expenses.

#### Governmental Activities

Revenues for governmental activities were \$3,364,922 and expenses were \$3,236,425 for the year ended June 30, 2010.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services and other expenditures, for the year ended June 30, 2010 compared to the year ended June 30, 2009.

Figure A-5						
Total and Net Cost of Governmental Activities						
(Expressed in Thousands)						
Total Cost of Services			Net Cost of Services			
2010	2009	Change 2009-2010	2010	2009	Change 2009-2010	
Instruction	\$ 2,029	2,220	-8.60%	341	1,042	-67.27%
Support services	779	795	-2.01%	774	757	2.25%
Non-instructional programs	12	-	100.00%	12	-	100.00%
Other expenses	416	280	48.57%	318	240	32.50%
Totals	<u>\$ 3,236</u>	<u>3,295</u>	<u>-1.79%</u>	<u>1,445</u>	<u>2,039</u>	<u>-29.13%</u>

For the year ended June 30, 2010:

- The cost financed by users of the District's programs was \$787,255.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$729,692.
- The net cost of governmental activities was financed with \$1,169,925 in property and other local taxes and \$249,501 in unrestricted state grants.

#### **Business Type Activities**

Revenues for business type activities for the year ended June 30, 2010 were \$205,828 and expenses totaled \$158,110. The District's business type activities include the School Nutrition Fund and a Preschool Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2010, the District held meal prices along with daycare and preschool rates steady. The District began the preschool program in fiscal year 2006 in an effort to increase future enrollment. The Day Care Fund received over \$80,000 in grant money in FY10.

#### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As previously noted, Graettinger Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$1,224,374, a 16% increase above last year's ending fund balances of \$1,056,072.

#### **Governmental Fund Highlights**

- The District's General Fund financial status increased this year. The District carefully monitors discretionary spending to avoid decreases in fund balances. This becomes more difficult every year due to state's decision to remove the budget guarantee. The District takes advantage of sharing incentive dollars whenever possible. Over \$80,000 in administrative costs were saved from the prior year.
- The Physical Plant and Equipment Levy (PPEL levy) decreased by \$17,000 as the District used this balance for equipment purchases.
- The Capital Projects fund decreased in the fiscal year ending June 30, 2010. This money can be used for many of the same purposes as the District's PPEL levy. The District used over \$117,000 for the first payment of its one on one laptop initiative.

#### **Proprietary Fund Highlights**

Beginning in the 2005-2006 school year a fund was established for a preschool operated by the District. It is hoped that this will assist in maintaining future enrollment. The fund is operating at a profit over the long term.

#### **BUDGETARY HIGHLIGHTS**

The District's receipts were \$46,317 more than budgeted receipts. The most significant variance resulted from the District receiving less in state source revenues than originally anticipated, however, local source revenues exceeded anticipated amounts.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year. During the year ended June 30, 2010, the District exceeded the published budget in the non-instructional programs function. The District did not exceed the General Fund unspent authorized budget.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2010, the District had invested \$1,662,613, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net decrease of 5% from last year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$255,581.

**Figure A-6**  
**Capital Assets, net Depreciation**  
**(Expressed in Thousands)**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Land	\$ 52	52	-	-	52	52	0.00%
Site improvements	62	33					
Buildings and improvements	944	997	-	-	944	997	-5.32%
Furniture and equipment	345	395	1	1	346	396	-12.63%
Totals	\$ 1,403	1,477	1	1	1,342	1,445	-7.13%

### Long-Term Debt

The District entered into a four year lease for the purchase of laptop computers for each student. Three payments of \$117,000 remain. The original payment and all future payments come from the Capital Projects Fund with revenues from the statewide sales and service and use tax.

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- Declining enrollment and the effects of the removal of the 100% budget guarantee will require due diligence on the part of the administration and board of education.
- Graettinger and Terril have approved reorganization beginning with fiscal year 2011.
- Adequate allowable growth is a necessity in order for the District to properly maintain its educational opportunities.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lisa Chapman, District Secretary/Treasurer, Graettinger-Terril Community School District, 400 West Lost Island Street, Graettinger, IA 51342.

## Basic Financial Statements

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2010

	Governmental <u>Activities</u>	Business Type <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 1,305,494	49,463	1,354,957
Receivables:			
Property tax:			
Current year	33,936	-	33,936
Income surtax - succeeding year	143,373	-	143,373
Due from other governments	116,702	-	116,702
Inventories	-	2,581	2,581
Capital assets, net of accumulated depreciation	<u>1,662,613</u>	<u>1,025</u>	<u>1,663,638</u>
<b>Total assets</b>	<u>3,262,118</u>	<u>53,069</u>	<u>3,315,187</u>
<b>Liabilities</b>			
Accounts payable	116,770	296	117,066
Deferred revenue:			
Federal programs	26,251	-	26,251
Long-term liabilities:			
Due within one year:			
Lease payable	100,624	-	100,624
Due after one year:			
Lease payable	217,153	-	217,153
Net OPEB liability	<u>3,868</u>	<u>-</u>	<u>3,868</u>
<b>Total liabilities</b>	<u>464,666</u>	<u>296</u>	<u>464,962</u>
<b>Net assets</b>			
Invested in capital assets	1,344,836	1,025	1,345,861
Restricted for:			
Management levy	19,007	-	19,007
Physical plant and equipment levy	93,459	-	93,459
Capital projects	144,786	-	144,786
Categorical funding	134,384	-	134,384
Employee benefits	88,737	-	88,737
Unrestricted	<u>972,243</u>	<u>51,748</u>	<u>1,023,991</u>
<b>Total net assets</b>	<u>\$ 2,797,452</u>	<u>52,773</u>	<u>2,850,225</u>

See notes to financial statements.



## GRAETTINGER COMMUNITY SCHOOL DISTRICT

## Statement of Activities

Year ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
<b>Functions/Programs:</b>						
Governmental activities:						
Instruction	\$ 2,029,052	787,255	900,712	(341,085)	-	(341,085)
Support services:						
Student services	48,195	-	-	(48,195)	-	(48,195)
Instructional staff services	199,733	-	-	(199,733)	-	(199,733)
Administration services	160,983	-	-	(160,983)	-	(160,983)
Operation and maintenance of plant services	271,234	-	5,475	(265,759)	-	(265,759)
Transportation services	99,095	-	-	(99,095)	-	(99,095)
	779,240	-	5,475	(773,765)	-	(773,765)
Non-instructional programs						
Food service operations	11,721	-	-	(11,721)	-	(11,721)
Other expenditures:						
AEA flowthrough	94,766	-	94,766	-	-	-
Facilities acquisition and construction	66,193	-	3,128	(63,065)	-	(63,065)
Depreciation (unallocated)*	255,453	-	-	(255,453)	-	(255,453)
	416,412	-	97,894	(318,518)	-	(318,518)
Total governmental activities	3,236,425	787,255	1,004,081	(1,445,089)	-	(1,445,089)

GRABTINGER COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2010

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Business type activities:						
Non-instructional programs:						
Nutrition and day care services	158,110	59,483	146,345	-	47,718	47,718
Total	<u>\$ 3,394,535</u>	<u>846,738</u>	<u>1,150,426</u>	<u>(1,445,089)</u>	<u>47,718</u>	<u>(1,397,371)</u>
General Revenues:						
Property tax levied for:						
General purposes				\$ 841,089	-	841,089
Management fund				40,008	-	40,008
Capital outlay				33,600	-	33,600
Income surtaxes collected for:						
General purposes				159,517	-	159,517
Capital outlay				95,711	-	95,711
Statewide sales, services and use tax				117,339	-	117,339
Unrestricted state grants				249,501	-	249,501
Unrestricted investment earnings				33,714	-	33,714
Other				3,107	-	3,107
Total general revenues				<u>1,573,586</u>	<u>-</u>	<u>1,573,586</u>
Change in net assets				128,497	47,718	176,215
Net assets beginning of year				<u>2,668,955</u>	<u>5,055</u>	<u>2,674,010</u>
Net assets end of year				<u>\$ 2,797,452</u>	<u>52,773</u>	<u>2,850,225</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

See notes to financial statements.

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Balance Sheet  
Governmental Funds

June 30, 2010

	General	Student Activity	Management Levy	Physical Plant and Equipment Levy	Capital Projects	Total
<b>Assets</b>						
Cash and pooled investments	\$ 951,609	77,020	18,559	32,796	136,773	1,216,757
Receivables:						
Property tax:						
Current year	18,489	-	448	14,999	-	33,936
Income surtax - succeeding year	95,582	-	-	47,791	-	143,373
Due from other governments	105,440	-	-	2,609	8,653	116,702
<b>Total assets</b>	<u>\$ 1,171,120</u>	<u>77,020</u>	<u>19,007</u>	<u>98,195</u>	<u>145,426</u>	<u>1,510,768</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 110,686	708	-	4,736	640	116,770
Deferred revenue:						
Succeeding year income surtax	95,582	-	-	47,791	-	143,373
Federal programs	26,251	-	-	-	-	26,251
Total liabilities	<u>232,519</u>	<u>708</u>	<u>-</u>	<u>52,527</u>	<u>640</u>	<u>286,394</u>
Fund balances:						
Reserved for categorical funding	134,384	-	-	-	-	134,384
Unreserved, reported in:						
Capital projects	-	-	-	-	144,786	144,786
Special revenue	-	76,312	19,007	45,668	-	140,987
General fund	804,217	-	-	-	-	804,217
Total fund balances	<u>938,601</u>	<u>76,312</u>	<u>19,007</u>	<u>45,668</u>	<u>144,786</u>	<u>1,224,374</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,171,120</u>	<u>77,020</u>	<u>19,007</u>	<u>98,195</u>	<u>145,426</u>	<u>1,510,768</u>

See notes to financial statements.

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets

June 30, 2010

Total fund balances of governmental funds (Exhibit C)	\$ 1,224,374
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*Amounts reported for governmental activities in the Statement of Net Assets  
are different because:*

Income surtax receivable at June 30, 2010 is not recognized as income until received in the governmental funds, however it is shown as a revenue in the Statement of Activities.	143,373
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Internal Service fund assets that are to be included with governmental funds.	88,737
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	1,662,613
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Long term liabilities, including lease payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(321,645)</u>
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Net assets of governmental activities (Exhibit A)	<u><u>\$ 2,797,452</u></u>
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## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2010

	General	Student Activity	Management Levy	Physical Plant and Equipment Levy	Capital Projects	Total
Revenues:						
Local sources:						
Local tax	\$ 995,695	-	40,008	126,364	117,339	1,279,406
Tuition	660,390	-	-	-	-	660,390
Other	233,924	100,827	5,252	178	3,128	343,309
State sources	878,642	-	22	23	-	878,687
Federal sources	195,272	-	-	-	-	195,272
Total revenues	2,963,923	100,827	45,282	126,565	120,467	3,357,064
Expenditures:						
Instruction	1,946,306	106,211	21,535	45,708	-	2,119,760
Support services:						
Student services	48,195	-	-	-	-	48,195
Instructional staff services	82,651	-	-	-	117,082	199,733
Administration services	248,710	-	2,593	26,762	-	278,065
Operation and maintenance of plant services	209,564	-	24,925	35,955	790	271,234
Transportation services	99,095	-	-	-	-	99,095
	688,215	-	27,518	62,717	117,872	896,322
Non-instructional programs:						
Food service	11,721	-	-	-	-	11,721

GRAETTINGER COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2010

	General	Student Activity	Management Levy	Physical Plant and Equipment Levy	Capital Projects	Total
Other expenditures						
AEA flowthrough	94,766	-	-	-	-	94,766
Facilities acquisition and construction	-	-	-	35,410	30,783	66,193
	94,766	-	-	35,410	30,783	160,959
Total expenditures	2,741,008	106,211	49,053	143,835	148,655	3,188,762
Excess (deficiency) of revenues over (under) expenditures	222,915	(5,384)	(3,771)	(17,270)	(28,188)	168,302
Fund balances beginning of year	715,686	81,696	22,778	62,938	172,974	1,056,072
Fund balances end of year	\$ 938,601	76,312	19,007	45,668	144,786	1,224,374

See notes to financial statements.

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
to the Statement of Activities

Year ended June 30, 2010

Net change in fund balances - total governmental funds (Exhibit E) \$ 168,302

**Amounts reported for governmental activities in the Statement of  
Activities are different because:**

Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the statement of activities this represents the change from FY09 to FY10 7,858

Internal Service Fund transactions are not reported in the General Fund as revenues and expenditures, however the General Fund is the source of these revenues and use of the expenditures. 14,256

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 515,179	
Depreciation expense	<u>(255,453)</u>	259,726

Other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. (3,868)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. (317,777)

Change in net assets of governmental activities (Exhibit B) \$ 128,497

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Combining Statement of Net Assets  
Proprietary Funds

June 30, 2010

	Enterprise Funds			Governmental Activities
	School Nutrition	Preschool	Total	Internal Service
<b>Assets</b>				
Cash and pooled investments	\$ 55	49,408	49,463	88,737
Inventories	2,581	-	2,581	-
Capital assets, net of accumulated depreciation	1,025	-	1,025	-
<b>Total assets</b>	<u>3,661</u>	<u>49,408</u>	<u>53,069</u>	<u>88,737</u>
<b>Liabilities</b>				
Accounts payable	<u>166</u>	<u>130</u>	<u>296</u>	<u>-</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	1,025	-	1,025	-
Reserved for employee benefits	-	-	-	88,737
Unrestricted	<u>2,470</u>	<u>49,278</u>	<u>51,748</u>	<u>-</u>
<b>Total net assets</b>	<u>\$ 3,495</u>	<u>49,278</u>	<u>52,773</u>	<u>88,737</u>

See notes to financial statements.



## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds

Year ended June 30, 2010

	Enterprise Funds			Governmental Activities
	School Nutrition	Preschool	Total	Internal Service
Operating revenue:				
Local sources:				
Charges for services	\$ 49,613	9,870	59,483	19,974
Operating expenses:				
Non-instructional programs:				
Food service operations:				
Salaries	44,875	-	44,875	-
Benefits	6,329	-	6,329	-
Services	524	-	524	-
Supplies	54,207	-	54,207	-
Depreciation	128	-	128	-
Total operating expenses	106,063	-	106,063	-
Community service programs:				
Salaries	-	17,713	17,713	-
Benefits	-	8,879	8,879	-
Services	-	22,550	22,550	-
Supplies	-	2,905	2,905	-
	-	52,047	52,047	-
Internal service programs:				
Benefits	-	-	-	6,382
Total operating expenses	106,063	52,047	158,110	6,382
Operating income (loss)	(56,450)	(42,177)	(98,627)	13,592
Non-operating revenues:				
Local sources	11	329	340	664
Capital investment from General Fund	11,721	-	11,721	-
State sources	1,005	83,040	84,045	-
Federal sources	50,239	-	50,239	-
	62,976	83,369	146,345	664
Change in net assets	6,526	41,192	47,718	14,256
Net assets beginning of year	(3,031)	8,086	5,055	74,481
Net assets end of year	\$ 3,495	49,278	52,773	88,737

See notes to financial statements.

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

Combining Statement of Cash Flows  
Proprietary Funds

Year ended June 30, 2010

	School Nutrition	Preschool	Total	Governmental Activities Internal Service
Cash flows from operating activities:				
Cash received from sale of services	\$ 49,613	9,870	59,483	19,974
Cash payments to employees for services	(51,204)	(26,592)	(77,796)	(7,543)
Cash payments to suppliers for goods or service	(54,881)	(31,770)	(86,651)	-
Net cash provided by (used by) operating activities	(56,472)	(48,492)	(104,964)	12,431
Cash flows from non-capital financing activities:				
State grants received	1,005	83,040	84,045	-
Federal grants received	43,790	-	43,790	-
Net cash provided by non-capital financing activities	44,795	83,040	127,835	-
Cash flows from capital financing activities:				
Capital investment from General Fund	11,721	-	11,721	-
Cash flows from investing activities:				
Interest on investments	11	329	340	664
Net (decrease) in cash and cash equivalents	55	34,877	34,932	13,095
Cash and cash equivalents beginning of year	-	14,531	14,531	75,642
Cash and cash equivalents end of year	\$ 55	49,408	49,463	88,737
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income(loss)	\$ (56,450)	(42,177)	(98,627)	13,592
Adjustments to reconcile operating income (loss) to cash provided by (used by) operating activities:				
Depreciation expense	128	-	128	-
Commodities used	6,449	-	6,449	-
(Decrease) in accounts payable	(6,599)	(6,315)	(12,914)	(1,161)
	\$ (56,472)	(48,492)	(104,964)	12,431

## Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received federal commodities valued at \$6,449.

See notes to financial statements.

# GRAETTINGER COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2010

### (1) Summary of Significant Accounting Policies

Graettinger Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors summer recreational activities. The geographic area served includes the Cities of Graettinger, Iowa, and agricultural area in Palo Alto and Emmett Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis. The District also contracts, as explained in note 6, with the Terril Community School District to educate students in all grades.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

#### A. Reporting Entity

For financial reporting purposes, Graettinger Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Graettinger Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Palo Alto and Emmett County Assessor's Conference Boards.

#### B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributable to the acquisition, construction or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has elected to present all funds as major funds for clarity of presentation.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Student Activity Fund is used to account for extra curricular activities conducted on behalf of the students.

The Management Levy Fund is utilized for the payment of insurance, unemployment and early retirement benefits.

The Capital Projects Fund is used to account for funds raised by the one cent School Infrastructure statewide sales, services and use tax. These funds are being used for debt retirement and infrastructure expenses.

The Physical Plant and Equipment Levy is used to purchase equipment (over \$500 per item) and for major repairs and improvements to buildings and grounds. It is funded primarily through a combination of property tax and income surtax.

The District reports the following major proprietary funds:

The District's proprietary funds are the Enterprise, School Nutrition Fund and Preschool Fund. These funds are used to account for the food service and preschool operations of the District. Also, an Internal Service Fund is maintained to account for certain health benefit plans.

#### C. Measurement Focus and Basis of Accounting

The government-wide and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The proprietary funds of the District applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statement of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

#### D. Assets, Liabilities and Fund Balance

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year become effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Due to the fact that the District is reorganizing effective July 1, 2010, only the current receivable is shown per direction from the Departments of Education and Managements.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2009.

Due From Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years. No intangible assets were noted that exceeded the threshold amount.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 1,000
Buildings	10,000
Improvements other than buildings	1,000
Furniture and equipment:	
School Nutrition Fund equipment	1,000
Other furniture and equipment	1,000
Intangible assets	50,000

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds financial statements only for employees that have resigned or retired. The compensated absences liability is deemed to be immaterial at June 30, 2010.

Fund Balance - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

#### E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, expenditures exceeded the amount budgeted in the non-instructional programs function. The District did not exceed its General Fund unspent authorized budget.

#### **(2) Cash and Pooled Investments**

The District's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had no investments at June 30, 2010.

### (3) Capital Assets

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 52,218	-	-	52,218
Capital assets being depreciated:				
Site improvements	68,754	-	-	68,754
Buildings and improvements	1,970,349	-	-	1,970,349
Furniture and Equipment	1,274,813	515,179	-	1,789,992
Total capital assets being depreciated	3,313,916	515,179	-	3,829,095
Less accumulated depreciation for:				
Site improvements	7,099	3,437	-	10,536
Buildings and improvements	1,025,799	52,305	-	1,078,104
Furniture and Equipment	930,349	199,711	-	1,130,060
Total accumulated depreciation	1,963,247	255,453	-	2,218,700
Total capital assets being depreciated, net	1,350,669	259,726	-	1,610,395
Governmental activities, capital assets, net	\$ 1,402,887	259,726	-	1,662,613
Business type activities:				
Furniture and equipment	\$ 1,537	-	-	1,537
Less accumulated depreciation	384	128	-	512
Business type activities capital assets, net	\$ 1,153	(128)	-	1,025
Depreciation expense was charged to the following functions:				
Governmental activities:				
Unallocated				\$ 255,453
Business type activities:				
Food service operations				\$ 128

### (4) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, PO Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.30% of their annual salary and the District is required to contribute 6.65% of annual covered salary. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2010, 2009, and 2008 were \$92,446, \$89,933, and \$80,136 respectively, equal to the required contributions for each year.



(5) **Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$94,766 for year ended June 30, 2010 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(6) **Two-Way Whole Grade Sharing**

The District has entered into a contract with Terril Community School District to complete the academic and extra-curricular needs of students in all grades. All regular education students in grades kindergarten through two and nine through twelve attend the Graettinger Community School District. All regular education students in grades three through eight attend the Terril Community School District.

(7) **Reorganization**

The voters of the Graettinger and Terril School Districts have approved a reorganization of the districts effective July 1, 2010.

(8) **Lease Payable**

The District entered into a four year lease with the Apple Inc. for the lease/purchase of 235 laptop computers totaling payments of \$468,859. Payments will be made from the Capital Projects Fund. The first payment of \$117,082 (all principal) was made in March 2010. Remaining payments are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rates</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2011	5.179%	\$16,458	100,624	117,082
2012	5.179	11,246	105,836	117,082
2013	5.179	5,765	111,317	117,082
Total		<u>\$33,469</u>	<u>317,777</u>	<u>351,246</u>

(9) **Other Postemployment Benefits (OPEB)**

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 18 active and 3 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which result in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefits plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 7,942
Interest on net OPEB Obligation	-
Adjustment to annual required contribution	-
Annual OPEB Cost	<u>7,942</u>
Contributions made	<u>(4,074)</u>
Increase in net OPEB obligation	<u>3,868</u>
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u>\$ 3,868</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

For the year ended June 30, 2010, the District contributed \$4,074 to the medical plan.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$7,942	51.3%	\$4,074

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$55,046, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$55,046. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$1,425,000 and the ratio of the UAAL to covered payroll was 3.9%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions includes a 2.5% discount rate based on the District's funding policy. The annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from information provided by the District.

The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

## Required Supplementary Information

**GRAETTINGER COMMUNITY SCHOOL DISTRICT**

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -  
Budget and Actual - All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2010

	Governmental Fund Types	Proprietary Fund Type	Total Actual	Budgeted Amounts Original	Final	Final to Actual Variance
Revenues:						
Local sources	\$ 2,283,105	71,544	2,354,649	2,068,212	2,068,212	286,437
State sources	878,687	84,045	962,732	1,304,363	1,304,363	(341,631)
Federal sources	195,272	50,239	245,511	144,000	144,000	101,511
Total revenues	<u>3,357,064</u>	<u>205,828</u>	<u>3,562,892</u>	<u>3,516,575</u>	<u>3,516,575</u>	<u>46,317</u>
Expenditures/Expenses:						
Instruction	2,119,760	-	2,119,760	2,523,028	2,523,028	403,268
Support services	896,322	-	896,322	1,190,000	1,190,000	293,678
Non-instructional programs	11,721	158,110	169,831	136,122	136,122	(33,709)
Other expenditures	160,959	-	160,959	373,122	373,122	212,163
Total expenditures/expenses	<u>3,188,762</u>	<u>158,110</u>	<u>3,346,872</u>	<u>4,222,272</u>	<u>4,222,272</u>	<u>875,400</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	168,302	47,718	216,020	(705,697)	(705,697)	921,717
Other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expense other financing uses	168,302	47,718	216,020	(705,697)	(705,697)	921,717
Balance beginning of year	1,056,072	5,055	1,061,127	727,577	727,577	333,550
Balance end of year	<u>\$ 1,224,374</u>	<u>52,773</u>	<u>1,277,147</u>	<u>21,880</u>	<u>21,880</u>	<u>1,255,267</u>

See accompanying independent auditor's report.

**GRAETTINGER COMMUNITY SCHOOL DISTRICT**

**Note to Required Supplementary Information - Budgetary Reporting**

**Year ended June 30, 2010**

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2010, expenditures exceeded the amount budgeted in the non-instructional programs function. The District did not exceed its General Fund unspent authorized budget.

**GRAETTINGER COMMUNITY SCHOOL DISTRICT**

Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
2010	Jul 1, 2009	\$0	\$55	\$55	0.0%	\$1,425	3.9%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

## Other Supplementary Information

## GRAETTINGER COMMUNITY SCHOOL DISTRICT

## Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2010

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Athletic	\$ 53,900	43,480	50,271	47,109
Student Council	1,785	2,501	2,865	1,421
FFA	10,150	25,271	23,713	11,708
Cheerleaders	163	4,435	3,468	1,130
National Honor Society	1,385	-	380	1,005
Speech/Drama	(178)	50	60	(188)
Class of 2008	2,039	-	2,039	-
Class of 2009	957	-	957	-
Class of 2010	1,132	-	603	529
Class of 2011	1,264	11,757	9,688	3,333
Class of 2012	-	514	-	514
Class of 2013	-	340	-	340
Elementary	1,307	2,713	1,250	2,770
Yearbook/Annual	1,640	4,612	5,657	595
Band	(485)	637	-	152
Vocal	520	25	60	485
Library	325	148	9	464
Miscellaneous	4,002	2,629	2,435	4,196
Interest	653	184	653	184
Office	(932)	1,006	9	65
Art	455	-	-	455
Marketing	2,139	-	2,094	45
Play	(525)	525	-	-
Total	<u>\$ 81,696</u>	<u>100,827</u>	<u>106,211</u>	<u>76,312</u>

See accompanying independent auditor's report.



## GRAFTINGER COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function  
All Governmental Funds

For the Last Ten Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Modified Accrual Basis										
Revenues:										
Local sources:										
Local tax	\$ 1,279,406	\$ 1,200,370	1,133,613	1,124,306	1,085,501	1,049,547	932,582	894,696	868,900	757,170
Tuition	660,390	524,318	492,788	484,002	561,756	424,218	94,093	113,764	23,009	238,186
Other	343,309	487,423	411,587	360,849	342,220	356,201	173,639	149,526	178,053	149,259
State sources	878,687	1,170,289	1,043,965	1,128,558	1,149,242	1,090,642	1,475,155	1,350,308	1,299,199	1,065,623
Federal sources	195,272	84,918	73,606	104,279	131,651	135,352	126,899	207,445	117,947	137,068
Total	<u>\$ 3,357,064</u>	<u>\$ 3,467,318</u>	<u>\$ 3,155,559</u>	<u>\$ 3,201,994</u>	<u>\$ 3,270,370</u>	<u>\$ 3,055,960</u>	<u>\$ 2,802,368</u>	<u>\$ 2,715,739</u>	<u>\$ 2,487,108</u>	<u>\$ 2,347,306</u>
Expenditures:										
Instruction	\$ 2,119,760	\$ 2,232,598	2,168,421	2,122,298	2,201,515	2,048,458	1,952,041	1,778,143	1,835,858	1,653,968
Support services:										
Student	48,195	69,955	23,047	18,998	10,520	16,872	2,638	1,362	35,598	57,387
Instructional staff	199,733	68,781	27,223	31,613	53,397	10,156	40,687	105,979	97,946	135,370
Administration	278,065	377,121	362,483	314,589	305,483	244,511	232,608	279,056	309,326	300,920
Operation and maintenance of plant	271,234	201,042	236,111	219,401	250,727	243,369	241,671	156,445	149,990	183,040
Transportation	99,095	125,961	176,300	108,165	93,226	70,740	59,614	52,368	48,541	51,383
Central support services	-	-	-	-	-	-	-	5,850	3,818	3,416
Noninstructional programs:										
Food service operations	-	-	-	-	-	-	2,219	-	-	-
Other expenditures:										
Facilities acquisition	66,193	70,393	166,885	243,235	70,849	60,697	14,186	32,476	84,308	66,137
AEA flowthrough	94,766	86,783	84,078	83,493	80,572	87,596	82,309	88,607	86,814	85,056
Total	<u>\$ 3,177,041</u>	<u>\$ 3,232,634</u>	<u>\$ 3,244,548</u>	<u>\$ 3,141,792</u>	<u>\$ 3,066,289</u>	<u>\$ 2,782,399</u>	<u>\$ 2,627,973</u>	<u>\$ 2,500,286</u>	<u>\$ 2,652,199</u>	<u>\$ 2,536,677</u>

See accompanying independent auditor's report.

# BRUCE D. FRINK

Certified Public Accountant

## Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

## Services:

- Individual, Partnership and Corporate Tax Preparation
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Bank Loan Assistance

## Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

To the Board of Education of the  
Graettinger Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Graettinger Community School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated March 21, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Graettinger Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Graettinger Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Graettinger Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings as items I-A-10 and I-B-10 to be material weaknesses.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified no items which we consider to be significant deficiencies.

### Compliance and Other Matters

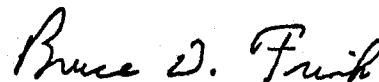
As part of obtaining reasonable assurance about whether Graettinger Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Graettinger Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit Graettinger Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Graettinger Community School District and other parties to whom Graettinger Community School District may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Graettinger Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



BRUCE D. FRINK  
Certified Public Accountant

March 21, 2011

GRAETTINGER COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2010

Part I: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCY

I-A-10 SEGREGATION OF DUTIES

Comment - During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the District's financial statements. We noted that one individual has custody of receipts and performs all record-keeping and reconciling functions for the office.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response - We will review procedures and investigate available alternatives.

Conclusion - Response accepted.

I-B-10 Auditor Drafting of the Financial Statements and Related Footnote Disclosures

Comment - As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. SAS 115, an auditing standard from the American Institute of Certified Public Accountants, requires auditors to communicate this situation as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of the District's statements and footnotes, and the responsibility of the auditor to determine the fairness of the presentation of those statements. From a practical standpoint we do both for you at the same time in connection with our audit. This is not unusual for us to do this with organizations of your size. However, based on this auditing standard, it is our responsibility to inform you that this deficiency could result in a misstatement to the financial statements that could have been prevented or detected by the District's management. As in prior years, we have instructed management to review a draft of the auditor prepared financial statements in detail for their accuracy, we have answered any questions they might have, and encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification and disclosure in your financial statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.

Recommendation - It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response - We feel our review of the draft financials is adequate for us to accept this risk.

Conclusion - Response accepted.

GRAETTINGER COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2010

**Part II: Other Findings Related to Required Statutory Reporting:**

II-A-10      Certified Budget - Expenditures for the year ended June 30, 2010 exceeded the certified budget amount in the non-instructional programs function. The District did not exceed its unspent authorized budget.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

II-B-10      Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-C-10      Business Transactions - No business transactions between the District and District officials or employees were noted.

II-D-10      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

II-E-10      Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.

II-F-10      Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

II-G-10      Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

II-H-10      Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

II-I-10      Certified Enrollment - No variances in the basic enrollment data certified to the Department of Education were noted.

II-J-10      Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

II-K-10      Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

GRAETTINGER COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2010

**Part II: Other Findings Related to Required Statutory Reporting:**  
(continued)

II-L-10      Statewide sales, services and use tax - No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales, services and use tax are as follows:

Beginning balance	\$ 80,345	
Statewide sales, services and use tax revenue	117,339	
Expenditures/transfers out:		
School infrastructure:		
Building and improvement	\$ 28,875	
Equipment	<u>117,781</u>	<u>146,656</u>
Ending balance		\$ <u>51,028</u>

The statewide sales, services and use tax revenue received during the year ended June 30, 2010 is equivalent to a reduction in the following levies:

	Per \$1,000 Of Taxable <u>Valuation</u>	Property Tax <u>Dollars</u>
Physical Plant and Equipment Levy	\$ .62	117,339